



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 31 2009

Jan W. Baran
Caleb P. Burns
Wiley Rein LLP
1776 K Street, N.W.
Washington, D.C. 20006

Re: MUR 6060

Dear Messrs. Baran and Burns:

On December 17, 2009, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of Citizens for Arlen Specter and Stephen J. Harmelin, in his official capacity as treasurer, in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty and disgorgement is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "April J. Sands".

April J. Sands
Attorney

Enclosure
Conciliation Agreement

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FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

2009 NOV -6 AM 10:46

In the Matter of

Citizens for Arlen Specter and
Stephen Harmelin, in his official
capacity as treasurer

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MUR 6060

OFFICE OF GENERAL
COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that Citizens for Arlen Specter and Stephen Harmelin, in his official capacity as treasurer, violated 2 U.S.C. 441a(f).

NOW, THEREFORE, the Commission and the Respondents having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Citizens for Arlen Specter ("CFAS") is the principal campaign committee for Arlen Specter within the meaning of 2 U.S.C. § 431(5).

2. Stephen Harmelin is the current treasurer of Citizens for Arlen Specter and was the treasurer during 2003 and 2004.

3. Arlen Specter is a U.S. Senator representing Pennsylvania. He was originally elected to that Federal office during the 1980 election cycle.

4. In 2003 and 2004, political committees were prohibited from receiving more than a total of \$2,000 per election from any one person. 2 U.S.C. § 441a(a)(1)(A); 11 C.F.R. §§ 110.1(a) and (b).

5. Contributions that on their face exceed the Act's contribution limitations, and contributions which do not appear to be excessive on their face, but which exceed the Act's contribution limits when aggregated with other contributions from the same contributor, may be either deposited into an appropriate campaign depository or refunded to the contributor. 11 C.F.R. § 103.3(b)(3). For those contributions deposited, the treasurer must, among other things, notify the contributor in writing within 60 days of the treasurer's receipt of the contribution, that a portion of the contribution that was redesignated and that the contributor may request a refund of the contribution. 11 C.F.R. § 110.1(b).

6. CFAS is required to file reports of receipts and disbursements in accordance with the provisions of the Federal Election Campaign Act of 1971, as amended, ("the Act"). See 2 U.S.C. § 434. Each report must disclose: the amount of cash on hand at the beginning and end of the reporting period; the total amount of receipts for the reporting period and for the election cycle; the total amount of disbursements for the reporting period and for the election cycle; and certain transactions that require itemization on Schedule A (Itemized Receipts) or Schedule B (Itemized Disbursements). 2 U.S.C. § 434(b)(1), (2), (3), and (4).

7. During the 2004 election cycle, CFAS received \$719,191 in excessive contributions from individuals and an additional \$21,850 in excessive contributions from nine political committees. The majority of these funds were from sums raised prior to the primary

election and resulted from CFAS failing to send the contributors notification of election designation and contributor reattribution.

8. CFAS contends that the majority of the contributions were in amounts that would have been within the contribution limitations for individual contributions to candidates for the primary and general elections (the primary and general elections were separate elections, with separate \$2,000 limits) had CFAS obtained reattribution and/or redesignation of the excessive portion of the contributions by sending the appropriate notification letters to the contributors within 60 days.

V. Citizens for Arlen Specter and Stephen Harmelin, in his official capacity as treasurer, accepted excessive contributions from individuals and political committees in violation of 2 U.S.C. § 441a(f). The Committee will cease and desist from violating 2 U.S.C. § 441a(f).

VI. The Commission has made no conclusions or findings that U.S. Senator Arlen Specter engaged in any wrongdoing in connection with the findings described in this Conciliation Agreement. In addition, the Commission has made no conclusions or findings that CFAS accepted contributions from prohibited sources, such as corporations, government contractors or foreign nationals in violation of 2 U.S.C. §§ 441b, 441c, or 441e.

VII. Citizens for Arlen Specter will pay a civil penalty to the Federal Election Commission in the amount of (\$10,900), pursuant to 2 U.S.C. § 437g(a)(5)(A). In determining the appropriate civil penalty in this matter, the Commission took into account the specific circumstances of this case, including the illness and death of a key staffer that contributed to the failure to send the appropriate reattribution and redesignation notifications, the cooperation of the Committee during the audit process, and the age of the violations in this case.

VIII. The Committee will either provide documentation of refund, or in the alternative, disgorge to the U.S. Treasury, the remaining thirty-seven thousand nine hundred fifty dollars (\$37,950) in unresolved excessive contributions from individuals and political committees received in violation of 2 U.S.C. § 441a(f).

IX. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XI. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

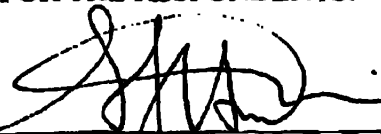
Thomasenia P. Duncan
General Counsel

BY:


Ann Marie Terzaken
Associate General Counsel
for Enforcement

12/20/09
Date

FOR THE RESPONDENTS:


Name: Stephen Harmelin
Position: Treasurer

10/16/09
Date